



California Fair Political Practices Commission

October 21, 1988

Ms. Sue Sarkis
Sarkis Detective Agency
P. O. Box 6608
Glendale, CA 91205

Re: Your Request for Advice
Our File No. I-88-386

Dear Ms. Sarkis:

This is in response to your letter dated October 4, 1988. In your letter you ask whether a non-profit corporation to which you belong will lose its tax exempt status by making a contribution to a statewide initiative measure (Proposition 100) that is on the ballot for November 8, 1988.

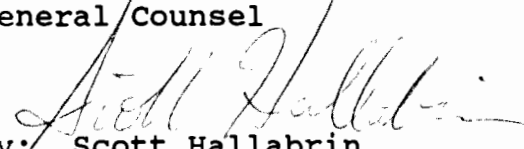
The Fair Political Practices Commission is responsible for the administration and enforcement of the Political Reform Act of 1974. (See Government Code Sections 81000-91015.) As part of its responsibilities, the Commission ensures that candidates and committees appropriately report campaign contributions that they receive.

The contribution described in your letter, depending on its amount, may be subject to the disclosure requirement of the Political Reform Act. However, the Commission has neither the jurisdiction nor expertise to provide an opinion on the tax effect of such a contribution. This is something that you will have to obtain from the Franchise Tax Board or your tax advisor, if you have not already done so.

If you have questions regarding this letter, please contact me at (916) 322-5901.

Very truly yours,

Diane M. Griffiths
General Counsel


By: Scott Hallabrin
Counsel, Legal Division

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SARKIS DETECTIVE AGENCY

P.O. BOX 6608 • GLENDALE, CALIFORNIA 91205
(818) 242-2505

October 4, 1988

The Fair Political Practices Committee
428 J Street
Sacramento, California 95814

Attention: Legal Department

Dear Sirs:

I belong to a California mutual benefit non-profit corporation which is federally classified for tax exemption under Code 064. We are considering contributing a sum of money to Proposition 100 which is an initiative on the current ballot.

I have spoken with the Attorney General's Office, the State Franchise Tax Board and the Internal Revenue Service and have been informed by all three that we may not make said contribution. On the other hand, I have been informed by ~~my~~ corporate counsel that the Fair Political Practices Committee would not consider that a political contribution and therefore we may make such contribution.

May a non-profit mutual benefit tax exempt corporation make a contribution to Proposition 100 without being in jeopardy of losing their tax exempt status? The sections of violation I am concerned with is Section 23701(e) of the Revenue and Taxation Code along with 501(c)(3) or 501(c)(6) of the Internal Revenue Section Code.

I would like to thank you in advance for your expeditious handling of this matter.

Sincerely yours,

Sue Sarkis

SUE SARKIS

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California Fair Political Practices Commission

October 11, 1988

Sue Sarkis
Sarkis Detective Agency
P.O. Box 668
Glendale, CA 91205

Re: 88-386

Dear Ms. Sarkis:

Your letter requesting advice under the Political Reform Act was received on October 7, 1988 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact Scott Hallabrin, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Diane M. Griffiths
Diane M. Griffiths
General Counsel

DMG:plh